

Market Data

Medalist Diversified REIT NASDAQ: MDRR

Fiscal Year	December
Industry	Real Estate
Recent Price	\$1.24
Market Cap	\$18.8M
Shares Out.	15.2M
Float	13.7M
Avg. Volume (90-day)	3.2M
Revenue (ttm)	\$9.4M
Cash (mrq) ¹	\$3.7M
Total Assets (mrq)	\$80.3M
Debt (mrq)	\$41.5M

As of July 29, 2021

¹ Does not include \$12M gross proceeds from April 2021 offering

Company Website

medalistreit.com



Company Overview

Medalist Diversified REIT (NASDAQ: MDRR) was founded in 2003 as a private equity company specializing in acquiring, owning, and managing commercial real estate in the Southeast. The Company's strategy is to focus on value-add and opportunistic commercial real estate which is expected to provide an attractive balance of risk and returns. Medalist utilizes a rigorous, consistent, and replicable process for sourcing and conducting due diligence of acquisitions. The Company seeks to maximize operating performance of current properties by utilizing a hands-on approach to property management while monitoring the middle market real estate markets in the Southeast for acquisition opportunities and disposal of properties as considered appropriate.



Value Proposition

Medalist is a dividend paying REIT targeting value-add investments in markets where its executive team maintains deep industry relationships and local market knowledge. Equity investments typically range from \$1 million to \$6 million (up to \$10 million with board approval), and with a maximum of 80% leverage (without board approval), average target property values are between \$5 million and \$30 million. The Company is targeting Industrial/Flex, Multifamily, Retail, and Hospitality primarily in secondary and tertiary markets in the Southeastern US, where its market knowledge provides a competitive advantage in identifying under-managed, under-capitalized, or under-performing assets. Management track record as an organized, private fund dates back to 2013 through two prior Medalist funds, returning 8% and 7.5% annualized cash distributions for approximately 5 years and 3.5 years, respectively. The first fund has been closed and the properties have been sold producing a total IRR of 12.8%. Medalist REIT has raised approximately \$52 million in equity from high net worth, small institutions, and retail investors since launch and currently holds undivided interests in 546,721 sq. ft. of retail, 66,000 of flex industrial, and one 148-key hotel (under long-term lease to Clemson University). Aegis Capital covers the stock with a buy rating and \$3.50 price target.

Investment Highlights

- **Expanding portfolio of quality commercial properties**
 - Solid track record of execution on core strategy over past three years
 - Medalist's 3 retail properties and 1 flex/industrial property have current occupancy rates of 94.6%, 98%, 83.3%, and 93.8%, respectively
 - Signed long-term lease with Clemson University for entire Clemson Best Western property at \$59 per room per night; signed indefinite agreement with Highpoint University for three floors at \$79 per room per night at its Hampton Inn property in Greensboro, NC.
- **Re-instated quarterly dividend in August 2021 at \$0.02 per share**
- **Buy rating and \$3.50 price target from Aegis Capital (June 2020)**
- **Strong Investment Track Record**
 - Medalist Fund I: 340k sq. ft. of retail and industrial and 290 multifamily units purchased; 8% annualized cash distributions paid quarterly (Q3 2013 - Q1 2018). Overall IRR on the fund was 12.8%
 - Medalist Fund II: 177k sq. ft. of retail and industrial purchased; 7.5% annualized cash distributions paid quarterly from Q1 2016 through Q2 2019
- **Opportunistic Investing Strategy**
 - Extensive deal flow network in target markets due to longstanding relationships with brokers, owners, and lenders
 - Focus on value creation through a "hands-on" management approach
 - Targeting opportunities in commercial real estate in secondary and tertiary markets in Virginia, N. Carolina, S. Carolina, Georgia, Florida, & Alabama where yields are higher than primary markets; cap rates at 7%-9%, depending on property type
 - Debt financing available at historically low rates
- **Experienced Management Team**
 - Management with 50+ years of combined experience in commercial real estate and capital markets
 - MDRR's management team has purchased and managed properties with a total asset value of approximately \$165 million

